



Bureau of TennCare

Policy Manual

Policy No: PAY 06-001	
Subject: Payment of Capitation and Methodology for Capitation Withholds for Non-compliance with Contract Terms	
Approval: <i>J.D. Hickey DG</i>	Date: 5/10/2006

POLICY AND PURPOSE:

This policy is applicable to MCCs having withholds as a component of their contract.

Any provision of the contract that the Bureau of TennCare determines is not being adequately addressed by an MCC places the MCC at risk of being subject to retention of the withhold on a monthly basis until the deficiency has been corrected. This policy supersedes TSOP #022.

PROCEDURES:

Once the Bureau has determined that a deficiency exists, the MCC is properly notified and given appropriate time frames to correct the issue. The withhold is then instituted when it is determined that the issue has not been resolved. The provision for permanent retention of the withhold due to MCC failure to correct documented deficiencies gives the MCOs an incentive to resolve the deficiencies in a timely manner. This provision is not intended to avoid payment of monies due the MCC, but rather to require the MCC to comply with all contract provisions in a timely manner.

OFFICES OF PRIMARY RESPONSIBILITY:

TennCare Office of Networks

REFERENCES:

TennCare Medicaid Rule 1200-13-13.07

TennCare Standard Rule 1200-13-14.07

TennCare/MCO Contractor Risk Agreement § 3-10.d

TennCare/BHO Contract § 4.7.3